



BRANDING AND EMERGING BRANDING TRENDS IN BEVERAGES INDUSTRY

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INTRODUCTION

Today it is quite relevant to Study the old and current Scenario of Branding Trends in Beverages Industry in a Comparative manner to understand the old and new branding trends. Growth of any organisation is dependent on the effectiveness of Branding trends being used for the Marketing in the organization.

BACKGROUND

PepsiCo, is founded by Donald M. Kendall, President and Chief Executive Officer of Pepsi-Cola and Herman W. Lay, Chairman and Chief Executive Officer of Frito-Lay, through the merger of the two companies. Pepsi-Cola was created in the late 1890s by Caleb Bradham, a New Bern, N.C. pharmacist. Frito-Lay, Inc. was formed by the 1961 merger of the Frito Company, founded by Elmer Doolin in 1932, and the H. W. Lay Company, founded by Herman W. Lay, also in 1932. Herman Lay is chairman of the Board of Directors of the new company; Donald M. Kendall is president and chief executive officer. The new company reports sales of \$510 million and has 19,000 employees.

BRAND

The Dictionary of Business and Management defines a brand as:

"a name, sign or symbol used to identify items or services of the seller(s) and to differentiate them from goods of competitors."

Signs and symbols are part of what a brand is, but to us this is a very incomplete definition. Walter Landor, one of the greats of the advertising industry, said:

"simply put, a brand is a promise. By identifying and authenticating a product or service it delivers a pledge of satisfaction and quality."

In his book, 'Building Strong Brands' David Aaker suggests the brand is a 'mental box' and gives a definition of brand equity as:

"a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service..."

This is an important point, brands are not necessarily positive! Building from this idea of a 'mental box' a more poetic definition might be:

"A brand is the most valuable real-estate in the world, a corner of the consumer's mind".

GOOD BRAND

A good brand communicates a clear message about what it stands for and how it differs from competitors. It stems from your product positioning and customers understand and internalize the brand through its consistent use. Each touch point within your customers' experience should seek to reinforce this same message. With a well-crafted strategy, a good brand begins to look more like a belief system than anything else. It takes on a vibrant life of its own, and customers will stand behind the brand, adopting its claims and evangelizing it to others. Major national brands know this and use it to great effect. Coke has us believing it is "The real thing". BMW owners believe they have the 'Ultimate driving machine', rather than just an ordinary, stuffy luxury car. These brands and their promises have grown beyond mere slogans, evolving into living icons for the company and their believers.

BRANDING

The concept of Place Branding has emerged in recent years as a powerful instrument and it is increasingly popular among both commentators on place marketing theory and practitioners in place management all over the world. There is, however, an evident confusion in the use of the term. This paper first offers a short description of the development of place marketing and its routes in general marketing. The paper goes on to describe the recent shift towards place branding. Major trends in current understanding of the concept and its use in the practice of place management are

identified. The paper draws on the development of corporate branding to demonstrate its relevance to place branding and discusses two different frameworks for place brand management, found in the literature, comparing them in an attempt to build on the main contributions of each and start an effort of integrating relevant suggestions into one practical framework.

Organizations are using branding as a strategy tool in today's business environment with increasing regularity. Although brands and branding are not new ideas, firms are applying them to more diverse settings where the role of branding is becoming increasingly important. The traditional role for brands is also experiencing rejuvenated interest. Market analysts generally agree that this trend will continue and be part of a formula for successful firms in the future.



Fig 1

PRESENT SCENARIO OF BRANDING AND BRANDING TRENDS IN PEPSICO

INDUSTRY TRENDS

Both Coca-Cola and PepsiCo have decided to integrate with their bottling businesses to control distribution and product placement. We believe this is a move due to the declining trend in soft drink consumption. The overall industry continues to decline in number of companies and total revenues. Revenues have declined for the past five years as per capita soft drink consumption continues to fall. Per capita soft drink consumption has fallen from 53 gallons in 2000 to just over 46 gallons in 2010. Companies with strong brand loyalty have been able to maintain profitability through price increases that have outpaced growth in ingredients as well as cost cutting in employment and overhead. Coca-Cola and Pepsi have started to diversify their beverage to include juice, water, and energy products as consumers shift away from traditional soft drinks largely due to health concerns. Marketing efforts and innovation have pushed towards calorie free caffeinated soft drinks. One example is the recent Pepsi announcement of a new “skinny” Diet Pepsi can to celebrate “beautiful, confident women” and appeal to the health conscious. In response to health concerns Coke and Pepsi have removed fructose syrup from their recipes and substituted with sugar. This is a more costly ingredient and has exposed both companies to sugar commodity risk which they try to mitigate through derivative contracts.

BRANDING TRENDS IN PEPSICO

When the "You're in the Pepsi Generation" advertising campaign launched in 1963, it may have been the first time a brand was marketed primarily with an association to its consumers' aspiration attitudes. A decidedly youth-oriented strategy, the campaign hoped to hook young Baby Boomers while they were still young. Pepsi recognized by there new launch long-running campaign, "The Choice of a New Generation," and by there debuted the "Generatio Next" concept. The Pepsi shows there strong R&D for following up new trends of advertisement and promotional activities for getting a strong image between the new customers and strong perception in the image of customers and competitors .Pepsi always showing there close eye to represent new activities and slogans to stay with customers mind by there following slogans global wise.

1939–1950: "Twice as Much for a Nickel,

1950: "More Bounce to the Ounce,

1950–1957: Any Weather is Pepsi Weather,

1957–1958: "Say Pepsi, Please,

2011: "Change the game"

CONCEPTS RELATED TO BRANDING AND BRANDING TRENDS

BRANDING

"A means of distinguishing one firm's products or services from another's and of creating and maintaining an image that encourages confidence in the quality and performance of that firm's products or services."

The process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme is branding. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers.

BRAND IDENTITY

Park, Jaworski and Mac Inn is (1986) say that brand image is the "understanding consumers derive form the total set of brand-related activities engaged by the firm." De Chernatony (1999) suggests passing from brand management to identity management by placing special importance on the internal aspect of brand building. He argues that more emphasis needs to be placed on brand identity. Identity, he mentions, "is about ethos, aims and values that present a sense of individuality differentiating the brand." He conceptualizes the brand's identity in terms of vision and culture, which drive positioning, personality, and any other subsequent relationships. In this sense, employees and staff members' vision and culture affect the brand building process. He therefore argues that more attention should be placed on internal aspects of branding, such as the role staff plays in shaping a brand's values.

BRAND PERSONALITY

Aaker (1997) develops the concept of brand personality, or "the set of human characteristics associated with a brand." She creates a reliable, valid, and generalizable brand personality measurement scale "based on an extensive data collection involving ratings of 114 personality traits on 37 brands in various product categories by over 600 individuals" (Keller 2003a). In her resulting framework, five dimensions are distinguished -the "big five"- that help to explain the symbolic and self-expressive functions of a brand: sincerity, competence, excitement, sophistication, and ruggedness.

BRANDS AS A RELATIONSHIP

Fournier (1998) suggests that a brand can be viewed as a relationship partner. One way to achieve this is by understanding "the ways in which brands are animated, humanized, or somehow personalized." She mentions three brand animating processes: through the spirit of a past or present other, by using brand-person associations, and through a complete anthropomorphization of the brand. Brand relationships happen "at the level of consumers' lived experiences." These relationships offer meanings to the consumer, some being functional and utilitarian, while others are psychological or emotional.

EVALUATION OF OLD BRANDING TRENDS AND EMERGING BRANDING TRENDS

SOME EMERGING BRANDING TRENDS

Ingredient branding is a newer idea that is gaining momentum in the marketplace. The idea of using an established name to promote a new product or merge successful products together is attractive. There has been a variety of good reasons given for using branded ingredients in a product (Norris, 1992). Essentially, it comes down to a new product acquiring some consumer awareness by using a well known branded ingredient. Berry (1993b) suggests that ingredient brands can have a positive impact on a host brand. Many manufacturers see the benefits of ingredient branding outweighing the negatives. Manufacturers of the branded ingredient have also been enthusiastic about the additional exposure their brand will receive. However, there are legitimate concerns associated with ingredient branding. If the branded ingredient and the host products are not perceived to be complementary in status, the strategy may backfire. In these cases, sales have gone down. Other problems with the strategy include the cost of promotion, loss of purchasing control, customer confusion, and others (Mullich, 1993; Norris, 1992). Generally, there are as many potential problems with this strategy as there are benefits. It is up to the parties involved to make sure the match works and that a win-win scenario can be worked out.

BRAND MANAGEMENT

It has been suggested earlier that poor brand management was a key element that had negatively affected brands in the 1980s. The loyalty of brands was beginning to wane because of this misdirected management. Although it was generally accepted that brand loyalty led to profits (*The Economist*, 1988), many brand managers did not generate either. Their brand strategy, which is the key to business strategy (Berry, 1993a), was to promote the financial value of the brand rather than making it a better product that the customer. One of the first steps in maintaining customer loyalty and earning profits is to build and sustain a positive brand image. The image is based on a total product concept that includes colors, symbols, words and slogans, with a clear consistent message and not simply a name (Berry *et al.*, 1988). Once an organization establishes this image, it should remain consistent (*The Economist*, 1988). While firms admit that this is a difficult job, it is necessary (Yovovich, 1993).

CREATING A BRAND IMAGE

Creating a brand image involves getting customers to know that the brand exists. Once a brand has been separated from the crowd, it is easier to develop its image. The branding process itself may be the starting point for product differentiation. Many brands are similar. Brand leaders are often close to being identical. The image a top brand develops may be the only way for the consumers to tell the difference. The difference will exist primarily in the mind of the consumer. The consumer will perceive one brand as more desirable than its competitor's and purchase it based on those perceptions. Each organization must decide how branding fits into its general strategy because one strategy does not work for all. Some brand managers agree that the most effective way to use branding is by matching specialized products with specialized markets.

These are the brand marketing trends that can open significant opportunities or create big challenges over the coming time,

1. BRAND ACCOUNTABILITY

Social media reputation management has never been more important, and brand transparency is critical. In 2013, even the smallest mistake can become a huge public relations problem. You need to be ready with response plans in place to protect your brand reputation.

2. BRAND TRUST

Social media also makes it easy for consumers to confirm if a brand really walks the walk and talks the talk. It's a lot harder to earn consumers' trust in your brand today, and it will be even harder in 2013.

3. BRAND FLEXIBILITY

The world is changing faster than ever, and so is the social web. To top it off, hyper-connectivity will reach record levels with the growth of mobile device usage in 2013. Your brand needs to drive the change, not just try to keep up with it. If your brand isn't able to adapt, another brand will.

4. BRAND EXPERIENCE

In 2012, we started to see a significant shift to brand storytelling and creating branded experiences. If Apple could do it, why can't other brands? That line of thinking brought us emotion-driven ads from Google and slick copycat designs from Microsoft (e.g., the Microsoft Surface ads, Microsoft stores, and the Microsoft Store website). Every brand should be creating brand experiences both in-person and online in 2013. If you're not creating them already, you're late.

5. BRAND VISUALIZATION

In 2012, the world witnessed the rapid growth of sites like Pinterest and Instagram that brought the demand for visual content to the forefront of digital publishing. Images didn't just enhance content anymore. In 2012, images were the content, and people loved it. Brands need to embrace visual content to tell their stories in 2012 just like the global audience has.

6. BRAND CROWD SOURCING

2013 should be the year for all brands to leverage the collective voice of brand advocates and turn their content and conversations into marketing opportunities. Leaving the crowd untapped is one of the biggest mistakes brand marketers could make in the coming 12 months.

7. BRANDS AS SOCIAL INFLUENCERS

Consumers expect brands to use their money and their reach for social, environmental, and economic good. Corporate social responsibility is important to every company, but brand marketing executives should make positioning their brands as social influencers a strategic priority in 2013.

8. BRAND DATA

Big data, research data, competitive analysis data, consumer data, and every other type of data you can think of will be included in marketers' goals for 2013. Turning that data into actionable metrics and initiatives will be the more challenging step, and it's one that all brand marketers should be concerned with in the coming 12 months and beyond.

9. BRAND BEHAVIOR

Using the data collected throughout the year, brand marketers will need to leverage behavioral targeting, particularly to increase ROI for digital and mobile marketing campaigns.

10. BRANDED CONTENT

In 2012, we saw a proliferation of branded content that had little focus and lacked clear strategy. Brand marketers who develop focused content plans with clear objectives in 2013 will reap the rewards that content marketing can deliver for many years to come. What do you think are the most important brand marketing trends, opportunities, or challenges that should dominate 2013.

CONCLUSION

There is much to be learned still from the cola wars and the propensity remains for them to continue to surprise. They remain fresh. They are not yesterday's war. The challenges they face can be extrapolated to any global business—the depth of understanding that is needed of individual country marketplaces for example, and the impact of international politics. Both Pepsi co and Coke seem able to hang in there, to adapt their product range and to respond to local market needs and sensitivities. Sometimes it is clumsily, but then nobody is perfect.

Brand management and planning will need to be more facile and react more quickly in the future to changing markets and conditions. Moral and ethical concerns are increasingly important components in branding. As personalization and customization become more prevalent, the role of individuals and their interactions with products, services, and experiences becomes more important. No matter how much brand designers design and name, if a brand isn't viable or sustainable, it won't be strong-enough or agreed-upon and, thus, not successful.

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